

# GABELLI SMALL CAP GROWTH FUND

A Small-Cap Value Portfolio Utilizing  
PMV with a Catalyst

Quarter End – September 30, 2018



## STRATEGY OVERVIEW

- The investment objective of The Gabelli Small-Cap Growth Fund is to provide a high level of capital appreciation.
- The Fund invests at least 80% of its net assets in equity securities of companies that are considered to be small companies at the time the Fund makes its investment. The Adviser currently characterizes small companies as those with total market values of \$3 billion or less at the time of investment.
- The Fund focuses on securities of companies that the Fund's Adviser believes are likely to have rapid growth in revenue potential and above average rates of earnings growth.

## PORTFOLIO HIGHLIGHTS

|  |               |             |               |
|--|---------------|-------------|---------------|
| Total Net Assets                       | \$3.8 billion | Share Class | <b>Symbol</b> |
| NAV (Class AAA)                        | \$59.61       | Class AAA   | GABSX         |
| Turnover                               | 4%            | Class A     | GCASX         |
| Inception Date                         | 10/22/91      | Class C     | GCCSX         |
| Minimum initial investment is \$1,000. |               | Class I     | GACIX         |

## PORTFOLIO MANAGEMENT



MARIO J. GABELLI, CFA  
Chief Executive Officer  
GAMCO Investors, Inc.

- M.B.A. Columbia Graduate School of Business
- B.S. Fordham University
- Fund Manager Since Inception

## PERFORMANCE STATISTICS

|              | Return | Std Dev | Beta | Alpha | Capture Ratio | R-Squared |
|--------------|--------|---------|------|-------|---------------|-----------|
| GABSX        | 12.57% | 14.38%  | 0.73 | 4.18% | 76.4↑ 69.1↓   | 86.42     |
| Russell 2000 | 10.12% | 18.28%  | -    | -     | -             | -         |

Since Inception ending September 30, 2018

## TOP TEN SECTORS

|                             |       |
|-----------------------------|-------|
| Food & Beverage             | 10.0% |
| Equipment & Supplies        | 9.6%  |
| Diversified Industrial      | 6.9%  |
| Health Care                 | 6.2%  |
| Energy & Utilities          | 6.2%  |
| Retail                      | 5.0%  |
| Automotive (Parts & Acces.) | 4.9%  |
| Business Services           | 4.6%  |
| Aviation (Parts & Svcs.)    | 4.4%  |
| Financial Services          | 3.9%  |
| Total % of Top Ten          | 61.7% |

## TOP TEN HOLDINGS

|                                |       |
|--------------------------------|-------|
| Kikkoman Corp.                 | 2.0%  |
| Kaman Corp.                    | 1.5%  |
| O'Reilly Automotive Inc.       | 1.4%  |
| Tyler Technologies Inc.        | 1.4%  |
| Navistar International Corp.   | 1.3%  |
| Ferro Corp.                    | 1.3%  |
| Curtiss-Wright Corp.           | 1.3%  |
| PNM Resources Inc.             | 1.3%  |
| Live Nation Entertainment Inc. | 1.3%  |
| Rollins Inc.                   | 1.3%  |
| Total % of Top Ten             | 14.1% |

## WHAT IS PMV WITH A CATALYST?

- Private Market Value (PMV): The price an informed industrialist would pay for the entire company
- Catalyst: An event to surface the value

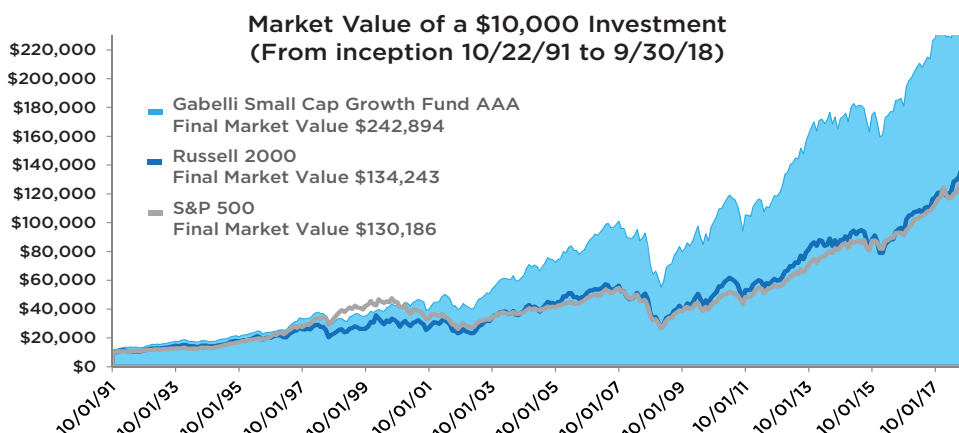
The top ten holdings and sectors listed are not necessarily representative of the entire portfolio and are subject to change. The most recent semiannual report, which contains a more extensive list of holdings, is available from your financial adviser or by contacting the distributor, G. distributors, LLC.

The Fund's share price will fluctuate with changes in the market value of the Fund's portfolio securities. Stocks are subject to market, economic and business risks that cause their prices to fluctuate. When you sell Fund shares, they may be worth less than what you paid for them. Consequently, you can lose money by investing in the Fund.

Standard deviation is a statistical measure of the volatility of a fund's returns. Beta measures a fund's risk relative to the S&P 500 Index which, by definition, has a beta of 1.00. If a fund's beta is less than 1.00, the fund is considered less risky than the market. Alpha is a measure of a fund's actual returns and expected performance, given its level of risk (as measured by beta). Upside/downside capture ratio show you whether a given fund has outperformed, gained more or less than, a broad market benchmark during periods of market strength and weakness, and if so, by how much. R-squared is a statistic that indicates how much of a fund's fluctuations were attributable to movements of the fund's benchmark index.

Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus, which contains more complete information about these and other matters, should be read carefully before investing. To obtain a prospectus, please call 800-GABELLI or visit [www.gabelli.com](http://www.gabelli.com).

## MARKET VALUE OF A \$10,000 INVESTMENT (CLASS AAA)



The chart above reflects an investment of \$10,000 from October 22, 1991 to September 30, 2018 and assumes that all dividends and capital gains were reinvested. The chart does not reflect the impact of any taxes. Based on The Gabelli Small Cap Growth Fund's prospectus dated January 26, 2018, the Fund's expense ratio was 1.38%.

## TOTAL RETURN PERFORMANCE HISTORY

|          | Class AAA Shares | Russell 2000 Index |
|----------|------------------|--------------------|
| 2018 YTD | 2.7%             | 11.5%              |
| 2017     | 19.0%            | 14.7%              |
| 2016     | 17.3%            | 21.3%              |
| 2015     | -3.7%            | -4.4%              |
| 2014     | 3.5%             | 4.9%               |
| 2013     | 35.7%            | 38.8%              |
| 2012     | 20.1%            | 16.4%              |
| 2011     | -4.9%            | -4.2%              |
| 2010     | 27.5%            | 26.9%              |
| 2009     | 29.7%            | 27.2%              |
| 2008     | -31.0%           | -33.8%             |
| 2007     | 7.3%             | -1.6%              |
| 2006     | 19.2%            | 18.4%              |
| 2005     | 5.9%             | 4.6%               |
| 2004     | 21.7%            | 18.3%              |
| 2003     | 37.6%            | 47.3%              |
| 2002     | -5.3%            | -20.5%             |
| 2001     | 4.7%             | 2.5%               |
| 2000     | 11.3%            | -3.0%              |
| 1999     | 14.2%            | 21.3%              |
| 1998     | 0.0%             | -2.6%              |
| 1997     | 36.5%            | 22.4%              |
| 1996     | 11.9%            | 16.5%              |
| 1995     | 25.2%            | 28.4%              |
| 1994     | -2.9%            | -1.8%              |
| 1993     | 22.8%            | 18.9%              |
| 1992     | 20.3%            | 18.4%              |
| 1991*    | 22.9%            | 5.4%               |

## AVERAGE ANNUAL RETURNS AS OF 9/30/18

|                                  | 1 Yr      | 5 Yr    | 10 Yr   | 15 Yr   | Inception |
|----------------------------------|-----------|---------|---------|---------|-----------|
| Class AAA                        | 7.21%     | 9.17%   | 11.08%  | 10.99%  | 12.57%    |
| Class A                          | 7.21%     | 9.17%   | 11.09%  | 10.99%  | 12.57%    |
| Class C                          | 6.41%     | 8.36%   | 10.26%  | 10.18%  | 12.11%    |
| Class I                          | 7.49%     | 9.45%   | 11.36%  | 11.19%  | 12.68%    |
| Russell 2000 Index               | 15.24%    | 11.07%  | 11.11%  | 10.12%  | 10.12%    |
| Load Adjusted                    |           |         |         |         |           |
| Class A                          | 1.05%     | 7.89%   | 10.43%  | 10.55%  | 12.32%    |
| Class C                          | 5.41%     | 8.36%   | 10.26%  | 10.18%  | 12.11%    |
|                                  | Class AAA | Class A | Class C | Class I |           |
| Gross Expense Ratio <sup>1</sup> | 1.38%     | 1.38%   | 2.13%   | 1.13%   |           |
| Maximum Sales Charge             | None      | 5.75%   | 1.00%   | None    |           |

<sup>1</sup>Expense ratio based on prospectus dated January 26, 2018.

\*From Inception 10/22/91

Returns represent past performance and do not guarantee future results. Due to market volatility, current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so, upon redemption, shares may be worth more or less than their original cost. To obtain the most recent month end performance information and a prospectus, please call 800-GABELLI or visit [www.gabelli.com](http://www.gabelli.com).

The inception date of the Fund was October 22, 1991. The Class AAA Shares' net asset values are used to calculate performance for the periods prior to the issuance of Class A Shares and Class C Shares on December 31, 2003 and Class I Shares on January 11, 2008. The actual performance for Class A and Class C Shares would have been lower and Class I Shares higher due to the different expenses associated with those classes of shares. Performance for periods less than one year is not annualized. Class A Shares (load adjusted) includes the effect of the maximum 5.75% sales charge at the beginning of the period. Class C Shares (load adjusted) includes the effect of the applicable 1% contingent deferred sales charge within the first year. The Fund imposes a 2% redemption fee on shares sold or exchanged in seven days or less after the date of purchase. The Russell 2000 Index is an unmanaged index of 2,000 small cap U.S. stocks that is generally considered to be representative of small capitalization issues in the U.S. stock market and is adjusted for reinvestment of dividends. The Russell 2000 Index is not available for direct investment and its returns do not reflect expenses that are deducted from the Fund's returns.

Small capitalization stocks are subject to significant price fluctuations and business risks. The stocks of smaller companies may trade less frequently and experience more abrupt price movements than stocks of larger companies; therefore, investing in this sector involves special challenges.

Not FDIC Insured. Not Bank Guaranteed. May Lose Value.

The Gabelli Mutual Funds are distributed by G.Distributors, LLC., a registered broker-dealer and member of FINRA.

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